

Executive, Administrative, and Managerial Occupations

Accountants and Auditors

(O*NET 21114A and 21114B)

Significant Points

- Most jobs require at least a bachelor's degree in accounting or a related field.
- Jobseekers who obtain professional recognition through certification or licensure, a master's degree, proficiency in accounting and auditing computer software, or specialized expertise will have an advantage in the job market.
- Competition will remain keen for the most prestigious jobs in major accounting and business firms.

Nature of the Work

Accountants and auditors help to ensure that the Nation's firms are run more efficiently, its public records kept more accurately, and its taxes paid properly and on time. They perform these vital functions by offering an increasingly wide array of business and accounting services to their clients. Broadly, these services include public, management, and government accounting, as well as internal auditing. In each of these major fields, however, accountants and auditors continue to carry out the fundamental tasks of the occupation—prepare, analyze, and verify financial documents in order to provide information to clients.

Specific job duties vary widely in the four major fields of accounting. Public accountants perform a broad range of accounting, auditing, tax, and consulting activities for their clients, who may be corporations, governments, nonprofit organizations, or individuals. For example, some public accountants concentrate on tax matters, such as advising companies of the tax advantages and disadvantages of certain business decisions and preparing individual income tax returns. Others are consultants who offer advice in areas such as compensation or employee health care benefits; the design of accounting and data processing systems; and the selection of controls to safeguard assets. Some specialize in forensic accounting—investigating and interpreting bankruptcies and other complex financial transactions. Still others audit a client's financial statements and report to investors and authorities that they have been prepared and reported correctly. Public accountants, many of whom are Certified Public Accountants (CPAs), generally have their own businesses or work for public accounting firms.

Management accountants—also called industrial, corporate, or private accountants—record and analyze the financial information of the companies for which they work. Other responsibilities include budgeting, performance evaluation, cost management, and asset management. They are usually part of executive teams involved in strategic planning or new product development. Management accountants analyze and interpret the financial information corporate executives need to make sound business decisions. They also prepare financial reports for non-management groups, including stockholders, creditors, regulatory agencies, and tax authorities. Within accounting departments, they may work in areas including financial analysis, planning and budgeting, and cost accounting.

Many persons with an accounting background work in the public sector. Government accountants and auditors maintain and examine the records of government agencies and audit private businesses and individuals whose activities are subject to government regulations or

taxation. Accountants employed by Federal, State, and local governments guarantee that revenues are received and expenditures are made in accordance with laws and regulations. Those who are employed by the Federal Government may work as Internal Revenue Service agents or in financial management, financial institution examination, or budget analysis and administration.

An increasingly important area of accounting and auditing is internal auditing. Internal auditors verify the accuracy of their organization's records and check for mismanagement, waste, or fraud. Specifically, they examine and evaluate their firms' financial and information systems, management procedures, and internal controls to ensure that records are accurate and controls are adequate to protect against fraud and waste. They also review company operations—evaluating their efficiency, effectiveness, and compliance with corporate policies and procedures, laws, and government regulations. There are many types of highly specialized auditors, such as electronic data processing, environmental, engineering, legal, insurance premium, bank, and health care auditors. As computer systems make information more timely, internal auditors help managers to base their decisions on actual data, rather than personal observation. Internal auditors may also recommend controls for their organization's computer system to ensure the reliability of the system and the integrity of the data.

Computers are rapidly changing the nature of the work for most accountants and auditors. With the aid of special software packages, accountants summarize transactions in standard formats for financial records and organize data in special formats for financial analysis. These accounting packages greatly reduce the amount of tedious manual work associated with data and recordkeeping. Personal and laptop computers enable accountants and auditors to be more mobile and to use their clients' computer systems to extract information from large mainframe computers. As a result of these trends, a growing number of accountants and auditors have extensive computer skills and specialize in correcting problems with software or developing software to meet unique data needs.

Working Conditions

Most accountants and auditors work in a typical office setting. Self-employed accountants may be able to do part of their work at home. Accountants and auditors employed by public accounting firms and



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government agencies may travel frequently to perform audits at clients' places of business, branches of their firm, or government facilities.

Most accountants and auditors generally work a standard 40-hour week, but many work longer hours, particularly if they are self-employed and have numerous clients. Tax specialists often work long hours during the tax season.

Employment

Accountants and auditors held over 1,080,000 jobs in 1998. They worked throughout private industry and government, but about 1 out of 4 worked for accounting, auditing, and bookkeeping firms. Approximately 1 out of 10 accountants or auditors were self-employed.

Many accountants and auditors are unlicensed management accountants, internal auditors, or government accountants and auditors. However, a large number are licensed Certified Public Accountants, Public Accountants (PAs), Registered Public Accountants (RPAs), and Accounting Practitioners (APs). Most accountants and auditors work in urban areas, where public accounting firms and central or regional offices of businesses are concentrated.

Some individuals with backgrounds in accounting and auditing are full-time college and university faculty; others teach part time while working as self-employed accountants, or as salaried accountants for private industry or government. (See the *Handbook* statement on college and university faculty.)

Training, Other Qualifications, and Advancement

Most accountant and internal auditor positions require at least a bachelor's degree in accounting or a related field. Beginning accounting and auditing positions in the Federal Government, for example, usually require 4 years of college (including 24 semester hours in accounting or auditing) or an equivalent combination of education and experience. Some employers prefer applicants with a master's degree in accounting or a master's degree in business administration with a concentration in accounting.

Previous experience in accounting or auditing can help an applicant get a job. Many colleges offer students an opportunity to gain experience through summer or part-time internship programs conducted by public accounting or business firms. In addition, practical knowledge of computers and their applications in accounting and internal auditing is a great asset for jobseekers in the accounting field.

Professional recognition through certification or licensure provides a distinct advantage in the job market. All CPAs must have a certificate and the partners in their firm must have licenses issued by a State Board of Accountancy. The vast majority of States require CPA candidates to be college graduates, but a few States substitute a number of years of public accounting experience for the college degree. Based on recommendations made by the American Institute of Certified Public Accountants, 17 States currently require CPA candidates to complete 150 semester hours of college coursework—an additional 30 hours beyond the usual 4-year bachelor's degree. Most States have adopted similar legislation that will become effective in the future. Many schools have altered their curricula accordingly, and prospective accounting majors should carefully research accounting curricula and the requirements for any States in which they hope to become licensed.

All States use the four-part Uniform CPA Examination prepared by the American Institute of Certified Public Accountants. The 2-day CPA examination is rigorous, and only about one-quarter of those who take it each year pass every part they attempt. Candidates are not required to pass all four parts at once, but most States require candidates to pass at least two parts for partial credit and all four sections within a certain period of time. Most States also require applicants for a CPA certificate to have some accounting experience.

The designations PA or RPA are also recognized by most States, and several States continue to issue these licenses. With the growth in the number of CPA's, however, the majority of States are phasing out non-CPA designations—PA, RPA, and AP—by not issuing new licenses.

Accountants who hold PA or RPA designations have legal rights, duties, and obligations similar to those of CPAs, but their qualifications for licensure are less stringent. AP designation requires less formal training and covers a more limited scope of practice than the CPA.

Nearly all States require CPAs and other public accountants to complete a certain number of hours of continuing professional education before their licenses can be renewed. The professional associations representing accountants sponsor numerous courses, seminars, group study programs, and other forms of continuing education. Professional societies bestow other forms of credentials on a voluntary basis. Voluntary certification can attest to professional competence in a specialized field of accounting and auditing. It can also certify that a recognized level of professional competence has been achieved by accountants and auditors who acquired some skills on the job, without the formal education or public accounting work experience needed to meet the rigorous standards required to take the CPA examination.

The Institute of Management Accountants (IMA) confers the Certified Management Accountant (CMA) designation upon applicants who complete a bachelor's degree or attain a minimum score on specified graduate school entrance exams. Applicants must also pass a four-part examination, agree to meet continuing education requirements, comply with standards of professional conduct, and have worked at least 2 years in management accounting. The CMA program is administered through the Institute of Certified Management Accountants, an affiliate of the IMA.

Graduates from accredited colleges and universities who have worked for 2 years as internal auditors and have passed a four-part examination may earn the designation Certified Internal Auditor (CIA) from the Institute of Internal Auditors. Similarly, the Information Systems Audit and Control Association confers the designation Certified Information Systems Auditor (CISA) upon candidates who pass an examination and have 5 years of experience in auditing electronic data processing systems. Auditing or data processing experience and college education may be substituted for up to 3 years of work experience in this program. The Accreditation Council for Accountancy and Taxation, a satellite organization of the National Society of Public Accountants, confers three designations—Accredited in Accountancy (AA), Accredited Tax Advisor (ATA), and Accredited Tax Preparer (ATP). Candidates for the AA must pass an exam, while candidates for the ATA and ATP must complete the required coursework and pass an exam. Other organizations, such as the National Association of Certified Fraud Examiners and the Bank Administration Institute, confer specialized auditing designations. Often a practitioner will hold multiple licenses and designations. For instance, an internal auditor might be a CPA, CIA, and CISA.

Persons planning a career in accounting should have an aptitude for mathematics and be able to analyze, compare, and interpret facts and figures quickly. They must be able to clearly communicate the results of their work to clients and managers. Accountants and auditors must be good at working with people as well as with business systems and computers. Because millions of financial statement users rely on their services, accountants and auditors should have high standards of integrity.

Capable accountants and auditors may advance rapidly; those having inadequate academic preparation may be assigned routine jobs and find promotion difficult. Many graduates of junior colleges and business and correspondence schools, as well as bookkeepers and accounting clerks who meet the education and experience requirements set by their employers, can obtain junior accounting positions and advance to positions with more responsibilities by demonstrating their accounting skills on the job.

Beginning public accountants usually start by assisting with work for several clients. They may advance to positions with more responsibility in 1 or 2 years, and to senior positions within another few years. Those who excel may become supervisors, managers, partners, open their own public accounting firms, or transfer to

executive positions in management accounting or internal auditing in private firms.

Management accountants often start as cost accountants, junior internal auditors, or as trainees for other accounting positions. As they rise through the organization, they may advance to accounting manager, chief cost accountant, budget director, or manager of internal auditing. Some become controllers, treasurers, financial vice presidents, chief financial officers, or corporation presidents. Many senior corporation executives have a background in accounting, internal auditing, or finance.

In general, there is a large degree of mobility among public accountants, management accountants, and internal auditors. Practitioners often shift into management accounting or internal auditing from public accounting, or between internal auditing and management accounting. However, it is less common for accountants and auditors to move from either management accounting or internal auditing into public accounting.

Job Outlook

Employment of accountants and auditors is expected to grow about as fast as the average for all occupations through the year 2008. In addition to openings resulting from growth, the need to replace accountants and auditors who retire or transfer to other occupations will produce thousands of job openings annually in this large occupation.

As the economy grows, the number of business establishments will increase, requiring more accountants and auditors to set up books, prepare taxes, and provide management advice. As these businesses grow, the volume and complexity of information developed by accountants and auditors regarding costs, expenditures, and taxes will increase as well. More complex requirements for accountants and auditors also arise from changes in legislation related to taxes, financial reporting standards, business investments, mergers, and other financial matters. In addition, businesses will increasingly need quick, accurate, and individually tailored financial information due to the demands of growing international competition. These trends will positively affect the employment of accountants and auditors.

The changing role of accountants and auditors also will spur job growth. In response to market demand, these professionals will offer more management and consulting services as they take on a greater advisory role and develop more sophisticated and flexible accounting systems. By focusing more on analyzing operations rather than just providing financial data, accountants will help to increase the demand for their services. Also, internal auditors will increasingly be needed to discover and eliminate waste and fraud.

However, this trend will be counteracted somewhat by a decrease in the demand for traditional services and growing use of accounting software. Accountants will spend less time performing audits due to potential liability and relatively low profits, and will shift away from tax preparation due to the increasing popularity of tax preparation firms. As computer programs continue simplifying some accounting-related tasks, clerical staff will increasingly handle many routine calculations.

Accountants and auditors who have earned professional recognition through certification or licensure should have the best job prospects. For example, CPAs should continue to enjoy a wide range of job opportunities, especially as more States enact the 150-hour requirement, making it more difficult to obtain this certification. Similarly, CMAs should be in demand as their management advice is increasingly sought. Applicants with a master's degree in accounting, or a master's degree in business administration with a concentration in accounting, will also have an advantage in the job market.

Proficiency in accounting and auditing computer software, or expertise in specialized areas such as international business, specific industries, or current legislation, may also be helpful in landing certain accounting and auditing jobs. In addition, employers increasingly seek applicants with strong interpersonal and communication skills. Regardless of one's qualifications, however, competition will

remain keen for the most prestigious jobs in major accounting and business firms.

Earnings

In 1998, the median annual earnings of accountants and auditors were \$37,860. The middle half of the occupation earned between \$29,840 and \$49,460. The top 10 percent of accountants and auditors earned more than \$76,160, and the bottom decile earned less than \$23,800. Accountants and auditors earn slightly more in urban areas. In 1997, median annual earnings in the industries employing the largest numbers of accountants and auditors were:

Accounting, auditing, and bookkeeping	\$38,100
State government, except education and hospitals	35,900
Federal government	43,100
Local government, except education and hospitals	36,400
Commercial banks	35,700

According to a salary survey conducted by the National Association of Colleges and Employers, bachelor's degree candidates in accounting received starting offers averaging \$34,500 a year in 1999; master's degree candidates in accounting, \$36,800.

According to a salary survey conducted by Robert Half International, a staffing services firm specializing in accounting and finance, accountants and auditors with up to 1 year of experience earned between \$26,000-\$36,250 in 1999. Those with 1 to 3 years of experience earned between \$29,250-\$41,250. Senior accountants and auditors earned between \$34,750-\$51,000; managers earned between \$41,750-\$68,500; and directors of accounting and auditing earned between \$56,250-\$91,000 a year. The variation in salaries reflects differences in size of firm, location, level of education, and professional credentials.

In the Federal Government, the starting annual salary for junior accountants and auditors was about \$20,600 in 1999. Candidates who had a superior academic record might start at \$25,500, while applicants with a master's degree or 2 years of professional experience usually began at \$31,200. Beginning salaries were slightly higher in selected areas where the prevailing local pay level was higher. Accountants employed by the Federal Government in nonsupervisory, supervisory, and managerial positions averaged about \$58,200 a year in 1999; auditors averaged \$62,500.

Related Occupations

Accountants and auditors design internal control systems and analyze financial data. Others for whom training in accounting is invaluable include appraisers, budget officers, loan officers, financial analysts and managers, bank officers, actuaries, underwriters, tax collectors and revenue agents, FBI special agents, securities sales representatives, and purchasing agents.

Sources of Additional Information

Information about careers in certified public accounting and about CPA standards and examinations may be obtained from:

• American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza III, Jersey City, NJ 07311-3881.

Internet: <http://www.aicpa.org>

Information on careers in management accounting and the CMA designation may be obtained from:

• Institute of Management Accountants, 10 Paragon Dr., Montvale, NJ 07645-1760. Internet: <http://www.imanet.org>

Information on the Accredited in Accountancy/Accredited Business Accountant, Accredited Tax Advisor, or Accredited Tax Preparer designations may be obtained from:

• National Society of Accountants and the Accreditation Council for Accountancy and Taxation, 1010 North Fairfax St., Alexandria, VA 22314. Internet: <http://www.acatcredentials.org>

Information on careers in internal auditing and the CIA designation may be obtained from:

• The Institute of Internal Auditors, 249 Maitland Ave., Altamonte Springs, FL 32701-4201. Internet: <http://www.theiia.org>

Information on careers in information systems auditing and the CISA designation may be obtained from:

• The Information Systems Audit and Control Association, 3701 Algonquin Rd., Suite 1010, Rolling Meadows, IL 60008. Internet: <http://www.isaca.org>

For information on accredited programs in accounting and business, contact:

• American Assembly of Collegiate Schools of Business—The International Association for Management Education, 605 Old Ballas Rd., Suite 220, St. Louis, MO 63141. Internet: <http://www.aacsb.edu>

Administrative Services and Facility Managers

(O*NET 13014B)

Significant Points

- Administrative services and facility managers work in private industry and government and have varied responsibilities, experience, earnings, and education.
- Despite projected employment growth, especially among facility managers, competition should remain keen due to the substantial supply of competent, experienced workers seeking managerial jobs.

Nature of the Work

Administrative services and facility managers perform a broad range of duties in virtually every sector of the economy. *Administrative services managers*, for example, coordinate and direct support services to organizations as diverse as insurance companies, computer manufacturers, and government offices. These workers manage the many services that allow organizations to operate efficiently, such as secretarial and reception; administration; payroll; conference planning and travel; information and data processing; mail; materials scheduling and distribution; printing and reproduction; records management; telecommunications management; personal property procurement, supply, and disposal; security; and parking.

Specific duties for these managers vary by degree of responsibility and authority. First-line administrative services managers directly supervise a staff that performs various support services. Mid-level managers, on the other hand, develop departmental plans, set goals and deadlines, implement procedures to improve productivity and customer service, and define the responsibilities of supervisory-level managers. Some mid-level administrative services managers oversee first-line supervisors from various departments, including the clerical staff. Mid-level managers also may be involved in the hiring and dismissal of employees, but they generally have no role in the formulation of personnel policy. Some of these managers advance to upper-level positions such as vice president of administrative services, which are discussed in the *Handbook* statement on general managers and top executives.

In small organizations, a single administrative services manager may oversee all support services. In larger ones, however, first-line administrative services managers often report to mid-level managers who, in turn, report to owners or top-level managers. As the size of the firm increases, administrative services managers are more likely to specialize in specific support activities. For example, some administrative services managers work primarily as office managers, contract administrators, or unclaimed property officers. In many cases, the duties of these administrative services managers are similar to those of other managers and supervisors, some of whom are discussed in other *Handbook* statements.

Because of the range of administrative services required by organizations, the nature of many of these managers' jobs also varies significantly. Administrative services managers who work as contract administrators, for instance, oversee the preparation, analysis, negotiation, and review of contracts related to the purchase or sale of equipment, materials, supplies, products, or services. In addition, some



Administrative services and facility managers must be able to coordinate several activities at once.

administrative services managers acquire, distribute, and store supplies; while others dispose of surplus property or oversee the disposal of unclaimed property.

Facility managers are assigned a wide range of tasks in planning, designing, and managing facilities. They are responsible for coordinating the physical workplace with the people and work of an organization. This task requires integrating the principles of business administration, architecture, as well as the behavioral and engineering sciences. Although the specific tasks assigned to facility managers vary substantially depending on the organization, the duties fall into several categories. They include operations and maintenance, real estate, project planning and management, communication, finance, quality assessment, facility function, and human and environmental factors. Tasks within these broad categories may include space and workplace planning, budgeting, the purchase and sale of real estate, lease management, renovations, or architectural planning and design. Facility managers may suggest and oversee renovation projects for a variety of reasons, ranging from improving efficiency to ensuring that facilities meet government regulations and environmental, health, and security standards. Additionally, facility managers continually monitor the facility to ensure that it remains safe, secure, and well-maintained. Often, the facility manager is responsible for directing staff including maintenance, grounds, and custodial workers.

Working Conditions

Administrative services and facility managers generally work in comfortable offices. However, managers involved in contract administration and personal property procurement, use, and disposal may travel extensively between their home office, branch offices, vendors' offices, and property sales sites. Also, facility managers who are responsible for the design of workspaces may spend time at construction sites and may travel between different facilities while monitoring the work of maintenance, grounds, and custodial staffs.

Most administrative services and facility managers work a standard 40-hour week. However, uncompensated overtime is often required to resolve problems and meet deadlines. Facility managers are often on call to address a variety of problems that can arise in a facility during non-work hours. Because of frequent deadlines and the challenges of managing staff and resources, the work of administrative services and facility managers can be stressful.

Employment

Administrative services and facility managers held about 364,000 jobs in 1998. Over half worked in service industries, including management, business, social, and health services. The remaining workers were widely dispersed throughout the economy.